

## PROPOSAL EVALUATION

### *Proposition 84 Integrated Regional Water Management (IRWM) Grant Program Implementation Grant, Round 2, 2013*

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<b>Applicant</b>	City of Imperial	<b>Amount Requested</b>	\$ 5,206,795
<b>Proposal Title</b>	Imperial Integrated Regional Water Management Implementation Proposal	<b>Total Proposal Cost</b>	\$ 11,629,341

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#### PROJECT SUMMARY

The proposal consists of three projects: (1) City of Holtville Wastewater Treatment Plan Improvement Project, (2) Interconnection Project between the City of El Centro, City of Imperial and Heber Utility District, and (3) Drainage Improvements in the Township of Seeley.

#### PROPOSAL SCORE

Criteria	Score/ Max. Possible	Criteria	Score/ Max. Possible
Work Plan	9/15	Technical Justification	4/10
Budget	3/5		
Schedule	3/5	Benefits and Cost Analysis	12/30
Monitoring, Assessment, and Performance Measures	2/5	Program Preferences	6/10
Total Score (max. possible = 80)			39

#### EVALUATION SUMMARY

##### WORK PLAN

The criterion for this proposal is less than fully addressed and documentation or rationales are incomplete or insufficient. The introduction to the work plans provides a limited description of how the proposal will help achieve the goals and objectives of the adopted IRWM Plan. It provides a tabulated overview and abstract for the Proposal's three projects. The work plan contains a map showing the relative location of each of the projects. None of the work plans include data management or monitoring deliverables, consistent with the IRWM Plan Standards and Guidance (specified in the PSP criteria table). Although all of the project work plans have significant deficiencies, each project provides a list of permits and their status, including CEQA, is consistent with the included design tasks, and is a stand-alone project. Each of the project work plans contains tasks that are insufficiently detailed or incomplete, such that the reviewer cannot determine all of the construction activities that would be involved in implementing the project. This is especially true for the two smaller projects, 2 and 3. The work plans for these projects are not presented with enough detail to

clearly understand the activities that constitute each task. Given the lack of detail in the work plans, it is difficult to determine if tasks collectively implement the projects in the Proposal.

## **BUDGET**

The budgets for more than half of the projects in the proposal have detailed cost information, but not all costs appear reasonable and supporting documentation is lacking for a majority of the budget categories. The application provides a detailed summary budget and detailed project budgets for each project contained in the proposal. The budgets for the three projects collectively meet the proposal's cost-share requirements. However, the summary budget contains errors. Specifically, the total for the requested grant amount for the three projects is \$5,206,795, but the summary budget (Table 8) "Requested Grant Amount" shows a total of only \$3,816,795; the total cost for the three projects is 11,629,341, but the summary budget (Table 8) "Total Cost" shows a total of only \$10,239,341.

The project budgets are not entirely consistent with the tasks shown in the work plan. The budget for project 1 only provides line-item costs for the major categories identified in the work plan but does not provide the costs for the tasks or subtasks described in the work plan. Additionally, the budget does not provide any budget for category e (Environmental Compliance/Mitigation/Enhancement) described in the work plan (Task 10). Project 2 and project 3 budgets provide a list of costs for categories while the work plan only list tasks; some of the categories and tasks have the same name but some do not. For example, project 2 work plan lists permitting (Task 7) but the budget lists no cost category for permitting. Project 3 budget lists costs for a category called "Passive storm/nuisance water treatment system," but there is no work plan task with this title.

Detailed cost breakdowns or supporting documentation are not consistently provided. Project 1 provides a cost breakdown of material and labor costs for Construction (Exhibit B-Supplemental Detailed Costs), but does not provide a cost breakdown for the other project tasks. Project 2 does not include any cost breakdown or documentation to support the stated costs. Project 3 includes cost breakdown details for construction materials but appears to provide no budget for labor; in addition, this project budget lacks details to justify the rest of its costs, including the \$150,000 for Planning/Design/Engineering/Environmental Documentation. The budgets clearly identify contingency amounts applied to each Project Budget but do not provide explanations of the rationale used to determine any contingency percentage.

## **SCHEDULE**

The criterion is less than fully addressed and documentation or rationales are incomplete or insufficient, but the proposal demonstrates a readiness to begin construction or implementation no later than October 2014. For example, the Project 3 schedule includes additional subtasks that are not identified in the work plan. In addition, the schedule does not show when any construction subtasks (subtasks a through f) will occur, nor indicate when project progress reports will be submitted. The schedules for all of the projects lack a task for the development of a project monitoring plan. Project 1 includes two subtasks for task 4, which are not identified in the work plan, omits work plan task 7.3 from the schedule, and includes construction subtasks (i.e., 50% and 100% completed construction) which are not defined in the work plan. Project 2 lacks needed detail, submittal of quarterly reports, and any construction milestones. These omissions and inconsistencies make it difficult to determine if the schedules, particularly for projects 2 and 3, are reasonable.

## **MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES**

The criterion is marginally addressed and documentation is incomplete and insufficient. Projects 2 and 3 fail to identify any targets. The target for project 1, compliance with a maximum daily ammonia limit of 3.5 mg/L, is included in the project performance measures table, but is entered as a desired outcome, rather than a target. Furthermore, the

measurement tools and methods for all three projects in the proposal would not effectively monitor the project performances. Owing to these deficiencies, it is not possible to evaluate project performance for the life of the projects.

#### **TECHNICAL JUSTIFICATION**

The technical justification for the proposal cannot be determined due to a lack of documentation that demonstrates the technical adequacy of the projects and physical benefits are not well described. The technical justification is minimal for all three projects and some of the technical justification appears unrelated to the projects. For example, the technical justification discusses the benefits of water recycling, though none of the projects involve water recycling. Although the technical justification lists the benefits of each project, only one of the benefits (for project 1) is cited quantitatively (create 40-50 construction jobs). The applicant provides no technical analysis or supporting documentation that supports or demonstrates any of the basis of its benefit claims. The only documentation put forth to substantiate a claim—that project 3 will reduce mosquitos resulting from standing flood waters— is a report of the number of mosquito complaints filed with to the local environmental health department. However, this information includes a memo from the environmental health department that indicates none of the complaint investigations confirmed the need for mosquito abatement resulting from standing water.

#### **BENEFITS AND COSTS ANALYSIS**

Collectively the proposal is likely to provide a medium level of benefits in relationship to cost, but the quality of the analysis or clear and complete documentation is lacking. This application includes one wastewater, one water supply, and one stormwater project. Two of three projects representing 95 percent of application Net Present Value (NPV) costs have no quantified benefits though it appears that some benefits of the Holtville wastewater treatment plant improvements could have been quantified. Labor cost savings may not be counted. Annual cost table for the interconnect project is wrong; it looks like capital costs are inserted for every year, but NPV of costs in Table 20 is OK.

#### **PROGRAM PREFERENCES**

Applicant claims that four program preferences and five statewide preferences will be met with project implementation. However, applicant demonstrated a high a degree of certainty, and adequate documentation, for six of the preferences claimed: (1) Drought Preparedness; (2) Climate Change Response Actions; (3) Expand Environmental Stewardship; (4) Practice Integrated Flood Management; (5) Protect Surface and Groundwater Quality; and (6) Ensure Equitable Distribution of Benefits.